

DEPARTMENT OF TRANSPORTATION

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May 4, 2009

Cities and Counties in California
Metropolitan Planning Organizations
Regional Transportation Planning Agencies

Dear Transportation Partners:

On March 26, 2009, I provided you with an update on the Race Conscious (RC) Disadvantaged Business Enterprise (DBE) Program. In that letter, I also updated you on concerns the California Department of Transportation's (Caltrans) Statewide Small Business Council (SBC) raised on March 20, 2009. I encouraged all local agencies to implement the RC DBE provisions within 60 days of apportionment.

To ensure a smooth transition to the RC DBE program, the Caltrans Division of Local Assistance (DLA) hosted a series RC DBE workshops throughout the State. The workshops provided training on evaluating good faith efforts, DBE reporting, and DBE contract administration. The initial phase of this training concluded on April 30, 2009.

To demonstrate our commitment to this important program, at the SBC meeting on April 17, 2009, I indicated to the members that all projects funded by the American Recovery and Reinvestment Act of 2009 (Recovery Act) will be compliant with the RC DBE Program. As of April 22, 2009, DLA has 41 Recovery Act projects valued at \$51.95 million awaiting authorization. Of these 41 Recovery Act projects, only 10 projects, valued at \$11.27 million, satisfy the new RC DBE requirements. Because \$900 million of the Recovery Act funds need to be obligated prior to June 30, 2009, in order to prevent loss of federal funds, requests for authorization that do not meet the RC DBE requirements will only be authorized with a condition to incorporate RC DBE provisions in the contract documents prior to advertising. This conditional authorization will only apply to the requests for authorization that Caltrans has received as of April 28, 2009. Effective immediately, all new project authorization requests must be compliant with the RC DBE requirements, or they will be returned unapproved.

In order to ensure a seamless authorization process without delay and to make sure we don't lose any federal funds, I ask for your immediate cooperation in implementing the RC DBE Program before you submit your requests for project authorization using the Recovery Act funds.

If you have any questions, please contact your District Local Assistance Engineer.

Sincerely,

A handwritten signature in black ink that reads "Will Kempton".

WILL KEMPTON
Director